

Introduced by Senator ChesbroFebruary 8, 2005

An act to amend Section 41204.1 of the Education Code, relating to public education funding.

LEGISLATIVE COUNSEL'S DIGEST

SB 168, as introduced, Chesbro. Property tax revenue shifts: local fiscal relief.

Existing law requires the Director of Finance to make certain adjustments in one of the formulas used in computing the state's obligation under the California Constitution to provide funding for school districts and community college districts so as to ensure that the modifications in property tax revenue allocation requirements that were made by a prior enactment do not have a net fiscal impact on school districts or community college districts, or upon the state's funding obligation to those districts.

This bill would make a clarifying change to define school districts, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 41204.1 of the Education Code is
- 2 amended to read:
- 3 41204.1. (a) (1) Pursuant to paragraph (2) of subdivision (b)
- 4 of Section 41204, the Director of Finance shall annually adjust
- 5 "the percentage of General Fund revenues appropriated for
- 6 school districts and community college districts, respectively, in
- 7 the 1986–87 fiscal year" for purposes of applying paragraph (1)

1 of subdivision (b) of Section 8 of Article XVI of the California
2 Constitution, to reflect those property tax revenue allocation
3 modifications required by the qualifying provisions in a manner
4 that ensures that those modifications will have no net fiscal
5 impact upon the amounts that are otherwise required to be
6 applied by the state for the support of school districts and
7 community college districts pursuant to Section 8 of Article XVI
8 of the California Constitution.

9 (2) For purposes of this section, “qualifying provisions,”
10 means the amendments made to Chapter 6 (commencing with
11 Section 95) of Part 0.5 of Division 1 of the Revenue and
12 Taxation Code and Article 7 (commencing with Section 33680)
13 of Chapter 6 of Part 1 of Division 24 of the Health and Safety
14 Code during the 1991–92 Regular Session to the 2003–04
15 Regular Session, inclusive, and during any Extraordinary Session
16 concurrently held during those session years, inclusive.

17 (b) Notwithstanding any other provision of law, for the
18 2004–05 fiscal year and each fiscal year thereafter, “the
19 percentage of General Fund revenues appropriated for school
20 districts and community colleges districts, respectively, in fiscal
21 year 1986–87,” for purposes of paragraph (1) of subdivision (b)
22 of Section 8 of Article XVI of the California Constitution, shall
23 be deemed to be the percentage of General Fund revenues that
24 would have been appropriated for those entities if the qualifying
25 provisions had been operative for the 1986–87 fiscal year.

26 (c) It is the intent of the Legislature in enacting the act adding
27 this section to ensure both of the following:

28 (1) That the changes required by the qualifying provisions in
29 the allocations of ad valorem property tax revenues do not have a
30 net fiscal impact upon school districts, as defined in Section
31 41302.5, or community college districts.

32 (2) That the changes required by the qualifying provisions in
33 the allocations of ad valorem property tax revenues do not have a
34 net fiscal impact upon the amounts of revenue otherwise required
35 to be applied by the state for the support of school districts, *as*
36 *defined in Section 41302.5*, and community college districts
37 pursuant to Section 8 of Article XVI of the California
38 Constitution.

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